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research and statistics note

NOTE NO. 4
JUNE 4, 1981

PUBLIC SOCIAL WELFARE EXPENDITURES, FISCAL YEAR 1979*

During fiscal year 1979, expenditures under public social welfare programs rose to $428.4 billion, an increase of $34.0 billion, or 8.6 percent, over the previous year (table 1). When the data are adjusted for price changes, 1979 expenditures actually decreased $0.7 billion from the 1978 level.

As the tabulation belows shows, the annual rate of growth in public social welfare spending has been declining since 1975 in both current and constant (1979) dollars.

Fiscal year	Percent increase	
	Current dollars	Constant dollars
1975	21.2	12.1
1976	14.6	9.0
1977	8.6	2.4
1978	9.3	2.3
1979	8.6	-.2

One consequence of this declining rate of growth is that for the third year in succession, social welfare expenditures declined as a percent of the gross national product (GNP). From a 1976 high of 20.4 percent, such expenditures fell to 18.5 percent of the GNP in 1979. The same pattern appears when social welfare expenditures are examined as a percentage of government spending for all purposes. At its 1976 zenith, social welfare spending accounted for 60.3 percent of all government expenditures; by 1979 that percentage had dropped to 56.8.

The distribution of 1979 social welfare expenditures among the various program categories is virtually identical to that observed in 1978. Social insurance outlays accounted for 45 percent of the total, education for 25 percent, and public aid for 15 percent. Outlays for health and medical programs represented only 6 percent of the total figure. However, when the expense of health and medical care provided in connection with social insurance, public aid, veterans' programs, and "other social welfare" is taken into account, health care expenditures under public programs accounted for 20 percent of all spending for social welfare purposes.

More extensive detail on social welfare expenditures will be published in a forthcoming issue of the **Social Security Bulletin** .

Technical Note

This **R & S Note** contains minor revisions in the data presented for fiscal years 1975-78. The revisions were undertaken in order to bring this series into closer conformity with the **National Health Care Expenditures** series published by the Health Care Financing Administration. The affected categories are public aid, health and medical programs, and "other social welfare."

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TABLE 1.—Social welfare expenditures under public programs, selected fiscal years 1950 through 1979

(In millions, except percentages)

Fiscal year	Program									Total social welfare as a percentage of—	
	Total social welfare[1]	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Housing	Other social welfare[2]	All health and medical care[3]	Gross national product	Government expenditures for all purposes[4]
Total											
1950	$23,508	$4,947	$2,496	$2,064	$6,866	$6,674	$15	$448	$3,065	8.9	37.4
1955	32,640	9,835	3,003	3,103	4,834	11,157	89	619	4,421	8.6	32.7
1960	52,293	19,307	4,101	4,464	5,479	17,626	177	1,139	6,395	10.5	38.4
1965	77,175	28,123	6,283	6,246	6,031	28,108	318	2,066	9,535	11.7	42.2
1970	145,856	54,691	16,488	9,907	9,078	50,845	701	4,145	25,391	15.2	48.2
1975	290,047	123,013	41,326	17,708	17,019	80,863	3,172	6,947	51,673	20.0	57.4
1976	332,385	145,703	48,693	19,392	19,005	87,749	3,371	8,472	59,979	20.4	60.3
1977	360,925	160,883	53,266	20,409	19,015	93,921	4,358	9,071	67,704	19.6	59.4
1978	394,382	174,935	59,394	22,930	19,744	101,592	5,225	10,563	76,928	19.3	57.8
1979[5]	428,401	193,588	64,649	24,496	20,523	108,279	6,226	10,640	86,240	18.5	56.8
Federal											
1950	10,541	2,103	1,103	604	6,386	157	15	174	1,362	4.0	26.2
1955	14,623	6,385	1,504	1,150	4,772	485	75	252	1,948	3.9	22.3
1960	24,957	14,307	2,117	1,737	5,367	868	144	417	2,918	5.0	28.1
1965	37,712	21,807	3,594	2,781	6,011	2,470	238	812	4,625	5.7	32.6
1970	77,337	45,246	9,649	4,775	8,952	5,876	582	2,259	16,600	8.1	40.1
1975	167,436	99,715	27,205	8,513	16,570	8,629	2,541	4,264	34,125	11.5	53.8
1976	197,407	119,600	32,527	9,909	18,843	9,023	2,906	4,598	41,010	12.1	57.0
1977	218,407	134,745	35,399	10,182	18,861	9,745	4,006	5,470	46,476	11.9	56.3
1978	240,121	147,252	40,013	11,566	19,570	10,884	4,887	5,949	52,960	11.8	55.3
1979[5]	264,186	163,744	43,612	12,150	20,333	12,097	5,802	6,449	59,437	11.4	55.0
State and local											
1950	12,967	2,844	1,393	1,460	480	6,517	---	274	1,704	4.9	59.2
1955	18,017	3,450	1,499	1,953	62	10,672	15	367	2,473	4.7	55.3
1960	27,337	4,999	1,984	2,727	112	16,758	33	723	3,478	5.5	60.1
1965	39,464	6,316	2,690	3,466	20	25,638	80	1,254	4,911	6.0	60.4
1970	68,519	9,446	6,839	5,132	127	44,970	120	1,886	8,791	7.1	64.0
1975	122,612	23,298	14,122	9,195	449	72,234	631	2,683	17,581	8.4	63.7
1976	134,978	26,103	16,165	9,483	162	78,726	465	3,874	19,047	8.3	66.2
1977	142,519	26,139	17,867	10,227	155	84,176	353	3,602	21,303	7.8	65.6
1978	154,261	27,683	19,381	11,364	174	90,708	337	4,614	24,042	7.6	62.7
1979[5]	164,215	29,844	21,037	12,346	190	96,182	424	4,192	26,868	7.1	60.4

[1] Represents expenditures under public laws and from trust fund accounts, including administration, capital outlay, and some payments outside the United States.

[2] Includes outlays for vocational rehabilitation, institutional care, child nutrition and welfare, and social welfare expenditures not elsewhere classified.

[3] Combines health and medical programs with medical services provided in connection with social insurance, public aid, veterans' programs, and "other social welfare."

[4] Expenditures for that part of workers' compensation and temporary disability insurance payments made through private carriers and self-insurers are omitted in computing percentages.

[5] Preliminary data.

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